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**SUBSTITUTE SENATE BILL 6101**

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**State of Washington**

**59th Legislature**

**2005 Regular Session**

**By** Senate Committee on Ways & Means (originally sponsored by Senator Prentice)

READ FIRST TIME 04/06/05.

1       AN ACT Relating to public pensions; amending RCW 41.31.010,  
2 41.31.020, 41.31A.020, 41.45.060, 41.45.070, 41.45.010, 41.45.010, and  
3 41.45.054; reenacting and amending RCW 41.45.060 and 41.45.070; adding  
4 a new section to chapter 41.31 RCW; adding a new section to chapter  
5 41.31A RCW; providing effective dates; providing an expiration date;  
6 and declaring an emergency.

7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

8       **Sec. 1.** RCW 41.31.010 and 1998 c 340 s 1 are each amended to read  
9 as follows:

10       Beginning July 1, 1998, and on January 1st of even-numbered years  
11 (~~thereafter~~) until January 1, 2005, the annual increase amount as  
12 defined in RCW 41.32.010 and 41.40.010 shall be increased by the gain-  
13 sharing increase amount, if any. The monthly retirement allowance of  
14 a person in receipt of the benefit provided in RCW 41.32.489 or  
15 41.40.197 shall immediately be adjusted to reflect any increase.

16       **Sec. 2.** RCW 41.31.020 and 1998 c 340 s 2 are each amended to read  
17 as follows:

18       (1) The gain-sharing increase amount, if authorized by the

1 legislature, shall be the amount of increase, rounded to the nearest  
2 cent, that can be fully funded in actuarial present value by the amount  
3 of extraordinary investment gains, if any. The amount of extraordinary  
4 investment gains shall be calculated as follows:

5 (a) One-half of the sum of the value of the net assets held in  
6 trust for pension benefits in the teachers' retirement system plan 1  
7 fund and the public employees' retirement system plan 1 fund at the  
8 close of the previous state fiscal year;

9 (b) Multiplied by the amount which the compound average of  
10 investment returns on those assets over the previous four state fiscal  
11 years exceeds ten percent.

12 (2) The gain-sharing increase amount for July 1998, as provided for  
13 in RCW 41.31.010, is ten cents.

14 NEW SECTION. Sec. 3. A new section is added to chapter 41.31 RCW  
15 to read as follows:

16 Beginning July 1, 2005, and on July 1st of even-numbered years  
17 thereafter, the legislature may authorize an increase as provided in  
18 RCW 41.31.020.

19 NEW SECTION. Sec. 4. A new section is added to chapter 41.31A RCW  
20 to read as follows:

21 Beginning July 1, 2005, and on July 1st of even-numbered years  
22 thereafter, the legislature may authorize an increase as provided in  
23 RCW 41.31A.020.

24 **Sec. 5.** RCW 41.31A.020 and 2003 c 294 s 4 are each amended to read  
25 as follows:

26 (1) On January 1, 2004, and on January 1st of even-numbered years  
27 (~~thereafter~~) until January 1, 2005, the member account of a person  
28 meeting the requirements of this section shall be credited by the  
29 extraordinary investment gain amount.

30 (2) The following persons shall be eligible for the benefit  
31 provided in subsection (1) of this section or as authorized by section  
32 4 of this act:

33 (a) Any member of the teachers' retirement system plan 3, the  
34 Washington school employees' retirement system plan 3, or the public  
35 employees' retirement system plan 3 who earned service credit during

1 the twelve-month period from September 1st to August 31st immediately  
2 preceding the distribution and had a balance of at least one thousand  
3 dollars in their member account on August 31st of the year immediately  
4 preceding the distribution; or  
5 (b) Any person in receipt of a benefit pursuant to RCW 41.32.875,  
6 41.35.680, or 41.40.820; or  
7 (c) Any person who is a retiree pursuant to RCW 41.34.020(8) and  
8 who:  
9 (i) Completed ten service credit years; or  
10 (ii) Completed five service credit years, including twelve service  
11 months after attaining age fifty-four; or  
12 (d) Any teacher who is a retiree pursuant to RCW 41.34.020(8) and  
13 who has completed five service credit years by July 1, 1996, under plan  
14 2 and who transferred to plan 3 under RCW 41.32.817; or  
15 (e) Any classified employee who is a retiree pursuant to RCW  
16 41.34.020(8) and who has completed five service credit years by  
17 September 1, 2000, and who transferred to plan 3 under RCW 41.35.510;  
18 or  
19 (f) Any public employee who is a retiree pursuant to RCW  
20 41.34.020(8) and who has completed five service credit years by March  
21 1, 2002, and who transferred to plan 3 under RCW 41.40.795; or  
22 (g) Any person who had a balance of at least one thousand dollars  
23 in their member account on August 31st of the year immediately  
24 preceding the distribution and who:  
25 (i) Completed ten service credit years; or  
26 (ii) Completed five service credit years, including twelve service  
27 months after attaining age fifty-four; or  
28 (h) Any teacher who had a balance of at least one thousand dollars  
29 in their member account on August 31st of the year immediately  
30 preceding the distribution and who has completed five service credit  
31 years by July 1, 1996, under plan 2 and who transferred to plan 3 under  
32 RCW 41.32.817; or  
33 (i) Any classified employee who had a balance of at least one  
34 thousand dollars in their member account on August 31st of the year  
35 immediately preceding the distribution and who has completed five  
36 service credit years by September 1, 2000, and who transferred to plan  
37 3 under RCW 41.35.510; or

1 (j) Any public employee who had a balance of at least one thousand  
2 dollars in their member account on August 31st of the year immediately  
3 preceding the distribution and who has completed five service credit  
4 years by March 1, 2002, and who transferred to plan 3 under RCW  
5 41.40.795.

6 (3) The extraordinary investment gain amount, if authorized by the  
7 legislature, shall be calculated as follows:

8 (a) One-half of the sum of the value of the net assets held in  
9 trust for pension benefits in the teachers' retirement system combined  
10 plan 2 and 3 fund, the Washington school employees' retirement system  
11 combined plan 2 and 3 fund, and the public employees' retirement system  
12 combined plan 2 and 3 fund at the close of the previous state fiscal  
13 year not including the amount attributable to member accounts;

14 (b) Multiplied by the amount which the compound average of  
15 investment returns on those assets over the previous four state fiscal  
16 years exceeds ten percent;

17 (c) Multiplied by the proportion of:

18 (i) The sum of the service credit on August 31st of the previous  
19 year of all persons eligible for the benefit provided in subsection (1)  
20 of this section; to

21 (ii) The sum of the service credit on August 31st of the previous  
22 year of:

23 (A) All persons eligible for the benefit provided in subsection (1)  
24 of this section;

25 (B) Any person who earned service credit in the teachers'  
26 retirement system plan 2, the Washington school employees' retirement  
27 system plan 2, or the public employees' retirement system plan 2 during  
28 the twelve-month period from September 1st to August 31st immediately  
29 preceding the distribution;

30 (C) Any person in receipt of a benefit pursuant to RCW 41.32.765,  
31 41.35.420, or 41.40.630; and

32 (D) Any person with five or more years of service in the teachers'  
33 retirement system plan 2, the Washington school employees' retirement  
34 system plan 2, or the public employees' retirement system plan 2;

35 (d) Divided proportionally among persons eligible for the benefit  
36 provided in subsection (1) of this section on the basis of their  
37 service credit total on August 31st of the previous year.

1 (4) The legislature reserves the right to amend or repeal this  
2 section in the future and no member or beneficiary has a contractual  
3 right to receive this distribution not granted prior to that time.

4 **Sec. 6.** RCW 41.45.060 and 2003 c 294 s 10 and 2003 c 92 s 3 are  
5 each reenacted and amended to read as follows:

6 (1) The state actuary shall provide actuarial valuation results  
7 based on the economic assumptions and asset value smoothing technique  
8 included in RCW 41.45.035 or adopted by the council under RCW 41.45.030  
9 or 41.45.035.

10 (2) Not later than September 30, 2002, and every two years  
11 thereafter, consistent with the economic assumptions and asset value  
12 smoothing technique included in RCW 41.45.035 or adopted under RCW  
13 41.45.030 or 41.45.035, the council shall adopt and may make changes  
14 to:

15 (a) A basic state contribution rate for the law enforcement  
16 officers' and fire fighters' retirement system plan 1;

17 (b) Basic employer contribution rates for the public employees'  
18 retirement system, the teachers' retirement system, and the Washington  
19 state patrol retirement system to be used in the ensuing biennial  
20 period; and

21 (c) A basic employer contribution rate for the school employees'  
22 retirement system for funding both that system and the public  
23 employees' retirement system plan 1.

24 The contribution rates adopted by the council shall be subject to  
25 revision by the legislature.

26 (3) The employer and state contribution rates adopted by the  
27 council shall be the level percentages of pay that are needed:

28 (a) To fully amortize the total costs of the public employees'  
29 retirement system plan 1, the teachers' retirement system plan 1, and  
30 the law enforcement officers' and fire fighters' retirement system plan  
31 1 not later than June 30, 2024; and

32 (b) To also continue to fully fund the public employees' retirement  
33 system plans 2 and 3, the teachers' retirement system plans 2 and 3,  
34 and the school employees' retirement system plans 2 and 3 in accordance  
35 with RCW 41.45.061, 41.45.067, and this section.

36 (4) The aggregate actuarial cost method shall be used to calculate

1 a combined plan 2 and 3 employer contribution rate and a Washington  
2 state patrol retirement system contribution rate.

3 (5) The council shall immediately notify the directors of the  
4 office of financial management and department of retirement systems of  
5 the state and employer contribution rates adopted. The rates shall be  
6 effective for the ensuing biennial period, subject to any legislative  
7 modifications.

8 (6) The director of the department of retirement systems shall  
9 collect the rates established in RCW 41.45.053 through June 30, 2003.  
10 Thereafter, the director shall collect those rates adopted by the  
11 council. The rates established in RCW 41.45.053, or by the council,  
12 shall be subject to revision by the council.

13 (7) For benefit increases under chapter 41.31 or 41.31A RCW, the  
14 basic contribution rate shall include the cost of the increases  
15 beginning with the next valuation after the effective date of the  
16 increase.

17 **Sec. 7.** RCW 41.45.060 and 2004 c 242 s 39 are each amended to read  
18 as follows:

19 (1) The state actuary shall provide actuarial valuation results  
20 based on the economic assumptions and asset value smoothing technique  
21 included in RCW 41.45.035 or adopted by the council under RCW 41.45.030  
22 or 41.45.035.

23 (2) Not later than September 30, 2002, and every two years  
24 thereafter, consistent with the economic assumptions and asset value  
25 smoothing technique included in RCW 41.45.035 or adopted under RCW  
26 41.45.030 or 41.45.035, the council shall adopt and may make changes  
27 to:

28 (a) A basic state contribution rate for the law enforcement  
29 officers' and fire fighters' retirement system plan 1;

30 (b) Basic employer contribution rates for the public employees'  
31 retirement system, the teachers' retirement system, and the Washington  
32 state patrol retirement system to be used in the ensuing biennial  
33 period; and

34 (c) A basic employer contribution rate for the school employees'  
35 retirement system and the public safety employees' retirement system  
36 for funding both those systems and the public employees' retirement  
37 system plan 1.

1 The contribution rates adopted by the council shall be subject to  
2 revision by the legislature.

3 (3) The employer and state contribution rates adopted by the  
4 council shall be the level percentages of pay that are needed:

5 (a) To fully amortize the total costs of the public employees'  
6 retirement system plan 1, the teachers' retirement system plan 1, and  
7 the law enforcement officers' and fire fighters' retirement system plan  
8 1 not later than June 30, 2024; and

9 (b) To fully fund the public employees' retirement system plans 2  
10 and 3, the teachers' retirement system plans 2 and 3, the public safety  
11 employees' retirement system plan 2, and the school employees'  
12 retirement system plans 2 and 3 in accordance with RCW 41.45.061,  
13 41.45.067, and this section.

14 (4) The aggregate actuarial cost method shall be used to calculate  
15 a combined plan 2 and 3 employer contribution rate and a Washington  
16 state patrol retirement system contribution rate.

17 (5) The council shall immediately notify the directors of the  
18 office of financial management and department of retirement systems of  
19 the state and employer contribution rates adopted. The rates shall be  
20 effective for the ensuing biennial period, subject to any legislative  
21 modifications.

22 (6) The director shall collect those rates adopted by the council.  
23 The rates established in RCW 41.45.054, or by the council, shall be  
24 subject to revision by the legislature.

25 (7) For benefit increases under chapter 41.31 or 41.31A RCW, the  
26 basic contribution rate shall include the cost of the increases  
27 beginning with the next valuation after the effective date of the  
28 increase.

29 **Sec. 8.** RCW 41.45.070 and 2003 1st sp.s. c 11 s 3 and 2003 c 92 s  
30 5 are each reenacted and amended to read as follows:

31 (1) In addition to the basic employer contribution rate established  
32 in RCW 41.45.060 or 41.45.054, the department shall also charge  
33 employers of public employees' retirement system, teachers' retirement  
34 system, school employees' retirement system, or Washington state patrol  
35 retirement system members an additional supplemental rate to pay for  
36 the cost of additional benefits, if any, granted to members of those  
37 systems. Except as provided in subsections (6) and (7) of this

1 section, the supplemental contribution rates required by this section  
2 shall be calculated by the state actuary and shall be charged  
3 regardless of language to the contrary contained in the statute which  
4 authorizes additional benefits.

5 (2) In addition to the basic member, employer, and state  
6 contribution rate established in RCW 41.45.0604 for the law enforcement  
7 officers' and fire fighters' retirement system plan 2, the department  
8 shall also establish supplemental rates to pay for the cost of  
9 additional benefits, if any, granted to members of the law enforcement  
10 officers' and fire fighters' retirement system plan 2. Except as  
11 provided in subsection (6) of this section, these supplemental rates  
12 shall be calculated by the actuary retained by the law enforcement  
13 officers' and fire fighters' board and the state actuary through the  
14 process provided in RCW 41.26.720(1)(a) and the state treasurer shall  
15 transfer the additional required contributions regardless of language  
16 to the contrary contained in the statute which authorizes the  
17 additional benefits.

18 (3) The supplemental rate charged under this section to fund  
19 benefit increases provided to active members of the public employees'  
20 retirement system plan 1, the teachers' retirement system plan 1, and  
21 Washington state patrol retirement system, shall be calculated as the  
22 level percentage of all members' pay needed to fund the cost of the  
23 benefit not later than June 30, 2024.

24 (4) The supplemental rate charged under this section to fund  
25 benefit increases provided to active and retired members of the public  
26 employees' retirement system plan 2 and plan 3, the teachers'  
27 retirement system plan 2 and plan 3, or the school employees'  
28 retirement system plan 2 and plan 3 shall be calculated as the level  
29 percentage of all members' pay needed to fund the cost of the benefit,  
30 as calculated under RCW 41.45.060, 41.45.061, or 41.45.067.

31 (5) The supplemental rate charged under this section to fund  
32 postretirement adjustments which are provided on a nonautomatic basis  
33 to current retirees shall be calculated as the percentage of pay needed  
34 to fund the adjustments as they are paid to the retirees. The  
35 supplemental rate charged under this section to fund automatic  
36 postretirement adjustments for active or retired members of the public  
37 employees' retirement system plan 1 and the teachers' retirement system



1 plan 1 shall be calculated as the level percentage of pay needed to  
2 fund the cost of the automatic adjustments not later than June 30,  
3 2024.

4 (6) A supplemental rate shall not be charged to pay for the cost of  
5 additional benefits granted to members pursuant to chapter 340, Laws of  
6 1998.

7 (7) A supplemental rate shall not be charged to pay for the cost of  
8 additional benefits granted to members pursuant to chapter 41.31A RCW;  
9 section 309, chapter 341, Laws of 1998; or section 701, chapter 341,  
10 Laws of 1998.

11 (8) For benefit increases under chapter 41.31 or 41.31A RCW, the  
12 basic contribution rate shall include the cost of the increases  
13 beginning with the next valuation after the effective date of the  
14 increase.

15 **Sec. 9.** RCW 41.45.070 and 2004 c 242 s 41 are each amended to read  
16 as follows:

17 (1) In addition to the basic employer contribution rate established  
18 in RCW 41.45.060 or 41.45.054, the department shall also charge  
19 employers of public employees' retirement system, teachers' retirement  
20 system, school employees' retirement system, public safety employees'  
21 retirement system, or Washington state patrol retirement system members  
22 an additional supplemental rate to pay for the cost of additional  
23 benefits, if any, granted to members of those systems. Except as  
24 provided in subsections (6) and (7) of this section, the supplemental  
25 contribution rates required by this section shall be calculated by the  
26 state actuary and shall be charged regardless of language to the  
27 contrary contained in the statute which authorizes additional benefits.

28 (2) In addition to the basic member, employer, and state  
29 contribution rate established in RCW 41.45.0604 for the law enforcement  
30 officers' and fire fighters' retirement system plan 2, the department  
31 shall also establish supplemental rates to pay for the cost of  
32 additional benefits, if any, granted to members of the law enforcement  
33 officers' and fire fighters' retirement system plan 2. Except as  
34 provided in subsection (6) of this section, these supplemental rates  
35 shall be calculated by the actuary retained by the law enforcement  
36 officers' and fire fighters' board and the state actuary through the  
37 process provided in RCW 41.26.720(1)(a) and the state treasurer shall

1 transfer the additional required contributions regardless of language  
2 to the contrary contained in the statute which authorizes the  
3 additional benefits.

4 (3) The supplemental rate charged under this section to fund  
5 benefit increases provided to active members of the public employees'  
6 retirement system plan 1, the teachers' retirement system plan 1, and  
7 Washington state patrol retirement system, shall be calculated as the  
8 level percentage of all members' pay needed to fund the cost of the  
9 benefit not later than June 30, 2024.

10 (4) The supplemental rate charged under this section to fund  
11 benefit increases provided to active and retired members of the public  
12 employees' retirement system plan 2 and plan 3, the teachers'  
13 retirement system plan 2 and plan 3, the public safety employees'  
14 retirement system plan 2, or the school employees' retirement system  
15 plan 2 and plan 3 shall be calculated as the level percentage of all  
16 members' pay needed to fund the cost of the benefit, as calculated  
17 under RCW 41.45.060, 41.45.061, or 41.45.067.

18 (5) The supplemental rate charged under this section to fund  
19 postretirement adjustments which are provided on a nonautomatic basis  
20 to current retirees shall be calculated as the percentage of pay needed  
21 to fund the adjustments as they are paid to the retirees. The  
22 supplemental rate charged under this section to fund automatic  
23 postretirement adjustments for active or retired members of the public  
24 employees' retirement system plan 1 and the teachers' retirement system  
25 plan 1 shall be calculated as the level percentage of pay needed to  
26 fund the cost of the automatic adjustments not later than June 30,  
27 2024.

28 (6) A supplemental rate shall not be charged to pay for the cost of  
29 additional benefits granted to members pursuant to chapter 340, Laws of  
30 1998.

31 (7) A supplemental rate shall not be charged to pay for the cost of  
32 additional benefits granted to members pursuant to chapter 41.31A RCW;  
33 section 309, chapter 341, Laws of 1998; or section 701, chapter 341,  
34 Laws of 1998.

35 (8) For benefit increases under chapter 41.31 or 41.31A RCW, the  
36 basic contribution rate shall include the cost of the increases  
37 beginning with the next valuation after the effective date of the  
38 increase.

1       **Sec. 10.** RCW 41.45.010 and 2002 c 26 s 3 are each amended to read  
2 as follows:

3       It is the intent of the legislature to provide a dependable and  
4 systematic process for funding the benefits provided to members and  
5 retirees of the public employees' retirement system, chapter 41.40 RCW;  
6 the teachers' retirement system, chapter 41.32 RCW; the law enforcement  
7 officers' and fire fighters' retirement systems, chapter 41.26 RCW; the  
8 school employees' retirement system, chapter 41.35 RCW; and the  
9 Washington state patrol retirement system, chapter 43.43 RCW.

10       The legislature finds that the funding status of the state  
11 retirement systems has improved dramatically since 1989. Because of  
12 the big reduction in unfunded pension liabilities, it is now prudent to  
13 adjust the long-term economic assumptions that are used in the  
14 actuarial studies conducted by the state actuary. The legislature  
15 finds that it is reasonable to increase the salary growth assumption in  
16 light of Initiative Measure No. 732, to increase the investment return  
17 assumption in light of the asset allocation policies and historical  
18 returns of the state investment board, and to reestablish June 30,  
19 2024, as the target date to achieve full funding of all liabilities in  
20 the public employees' retirement system plan 1, the teachers'  
21 retirement system plan 1, and the law enforcement officers' and fire  
22 fighters' retirement system plan 1.

23       The funding process established by this chapter is intended to  
24 achieve the following goals:

25       (1) To continue to fully fund the public employees' retirement  
26 system plans 2 and 3, the teachers' retirement system plans 2 and 3,  
27 the school employees' retirement system plans 2 and 3, and the law  
28 enforcement officers' and fire fighters' retirement system plan 2 as  
29 provided by law;

30       (2) To fully amortize the total costs of the public employees'  
31 retirement system plan 1, the teachers' retirement system plan 1, and  
32 the law enforcement officers' and fire fighters' retirement system plan  
33 1, not later than June 30, 2024;

34       (3) To establish (~~predictable~~) long-term employer contribution  
35 rates which will remain a relatively (~~constant~~) predictable  
36 proportion of the future state budgets; and

37       (4) To fund, to the extent feasible, benefit increases for plan 1

1 members and all benefits for plan 2 and 3 members over the working  
2 lives of those members so that the cost of those benefits are paid by  
3 the taxpayers who receive the benefit of those members' service.

4 **Sec. 11.** RCW 41.45.010 and 2004 c 242 s 36 are each amended to  
5 read as follows:

6 It is the intent of the legislature to provide a dependable and  
7 systematic process for funding the benefits provided to members and  
8 retirees of the public employees' retirement system, chapter 41.40 RCW;  
9 the teachers' retirement system, chapter 41.32 RCW; the law enforcement  
10 officers' and fire fighters' retirement systems, chapter 41.26 RCW; the  
11 school employees' retirement system, chapter 41.35 RCW; the public  
12 safety employees' retirement system, chapter 41.37 RCW; and the  
13 Washington state patrol retirement system, chapter 43.43 RCW.

14 The legislature finds that the funding status of the state  
15 retirement systems has improved dramatically since 1989. Because of  
16 the big reduction in unfunded pension liabilities, it is now prudent to  
17 adjust the long-term economic assumptions that are used in the  
18 actuarial studies conducted by the state actuary. The legislature  
19 finds that it is reasonable to increase the salary growth assumption in  
20 light of Initiative Measure No. 732, to increase the investment return  
21 assumption in light of the asset allocation policies and historical  
22 returns of the state investment board, and to reestablish June 30,  
23 2024, as the target date to achieve full funding of all liabilities in  
24 the public employees' retirement system plan 1, the teachers'  
25 retirement system plan 1, and the law enforcement officers' and fire  
26 fighters' retirement system plan 1.

27 The funding process established by this chapter is intended to  
28 achieve the following goals:

29 (1) To fully fund the public employees' retirement system plans 2  
30 and 3, the teachers' retirement system plans 2 and 3, the school  
31 employees' retirement system plans 2 and 3, the public safety  
32 employees' retirement system plan 2, and the law enforcement officers'  
33 and fire fighters' retirement system plan 2 as provided by law;

34 (2) To fully amortize the total costs of the public employees'  
35 retirement system plan 1, the teachers' retirement system plan 1, and  
36 the law enforcement officers' and fire fighters' retirement system plan  
37 1, not later than June 30, 2024;

1 (3) To establish (~~predictable~~) long-term employer contribution  
2 rates which will remain a relatively (~~constant~~) predictable  
3 proportion of the future state budgets; and

4 (4) To fund, to the extent feasible, benefit increases for plan 1  
5 members and all benefits for plan 2 and 3 members over the working  
6 lives of those members so that the cost of those benefits are paid by  
7 the taxpayers who receive the benefit of those members' service.

8 **Sec. 12.** RCW 41.45.054 and 2003 1st sp.s. c 11 s 2 are each  
9 amended to read as follows:

10 The basic employer and state contribution rates and plan 2 member  
11 contribution rates are changed to reflect the (~~2000~~) 2003 actuarial  
12 valuation(~~(, incorporating the 1995-2000 actuarial experience study~~  
13 ~~conducted by the office of the state actuary. The results of the 2001~~  
14 ~~actuarial valuation for the public employees' retirement system, the~~  
15 ~~teachers' retirement system, and the school employees' retirement~~  
16 ~~system shall be restated as a result of the new asset smoothing method~~  
17 ~~adopted in RCW 41.45.035,)) and suspension of payments on the unfunded  
18 liability in the public employees' retirement system and teachers'  
19 retirement system, to collect the following contribution rates:~~

20 (1) Beginning July 1, (~~2003~~) 2005, the following employer  
21 contribution rate(~~(s)~~) shall be charged:

22 (~~(a) 1.18~~) 3.38 percent for the public employees' retirement  
23 system(~~(; and~~

24 ~~(b) 3.03 percent for the law enforcement officers' and fire~~  
25 ~~fighters' retirement system plan 2.~~

26 ~~(2) Beginning July 1, 2003, the basic state contribution rate for~~  
27 ~~the law enforcement officers' and fire fighters' retirement system plan~~  
28 ~~2 shall be 2.02 percent)).~~

29 (~~(3)~~) (2) Beginning September 1, (~~2003~~) 2005, the following  
30 employer contribution rates shall be charged:

31 (a) (~~0.84~~) 3.51 percent for the school employees' retirement  
32 system; and

33 (b) (~~1.17~~) 2.74 percent for the teachers' retirement system.

34 (~~(4)~~) (3) Beginning July 1, (~~2003~~) 2005, the following member  
35 contribution rate(~~(s)~~) shall be charged:

36 (~~(a) 1.18~~) 3.38 percent for the public employees' retirement  
37 system plan 2(~~(; and~~

1 ~~(b) 5.05 percent for the law enforcement officers' and fire~~  
2 ~~fighters' retirement system plan 2)).~~

3 ~~((+5))~~ (4) Beginning September 1, ~~((2003))~~ 2005, the following  
4 member contribution rates shall be charged:

5 (a) ~~((0.84))~~ 3.51 percent for the school employees' retirement  
6 system plan 2; and

7 (b) ~~((0.87))~~ 2.48 percent for the teachers' retirement system plan  
8 2.

9 ~~((+6))~~ (5) The contribution rates in this section shall be  
10 collected through June 30, ~~((2005))~~ 2007, for the public employees'  
11 retirement system ~~((and the law enforcement officers' and fire~~  
12 ~~fighters' retirement system,))~~ and August 31st, ~~((2005))~~ 2007, for the  
13 school employees' retirement system and the teachers' retirement  
14 system.

15 ~~((+7) The July 1, 2003, contribution rate changes provided in this~~  
16 ~~section shall be implemented notwithstanding the thirty day advanced~~  
17 ~~notice provisions of RCW 41.45.067.))~~

18 NEW SECTION. **Sec. 13.** This act is necessary for the immediate  
19 preservation of the public peace, health, or safety, or support of the  
20 state government and its existing public institutions, and takes effect  
21 July 1, 2005, except for sections 7, 9, and 11 of this act which take  
22 effect July 1, 2006.

23 NEW SECTION. **Sec. 14.** Sections 6, 8, and 10 of this act expire  
24 July 1, 2006.

--- END ---